Approved For Releas (2014/03/02: NIX RDP79 201012A00120001003331052



SECURITY HEROMANTION

CENTRAL INTELLIGENCE AGENCY

OF YOU OF HATIONAL ISTITUTES

21 October 1952

SUBJECT: NIE-40: POTENTIAL MILITARY, ECOMOMIC AND SCHEMENC ACCRETIONS TO THE USON MISULTING FROM THE AC JUSTIAN OF MICHELL EULOPE (for Consideration by the Board)

THE PROBLEM

To estimate the military, economic and scientific accretions to the USER resulting from the acquisition of Western Europel during the first two years of Soviet occupation.

ASSUMPTIONS

- 1. Effective Allied blockade interdicts overseas trade of the USSR and Mestern Durope and severely curtails coastal shipping. 2
 - 1. Continental Durope west of the Iron Curtain, including Finland, Sweden, Horway, Denmark, Austria, West Germany, Switzerland, Italy, Yugoslavia, France, Spain, Portugal, The Netherlands, Belgium, Luxombourg, but excluding the UK and all colonial possessions of the Western European countries.
 - 2. Except for blockade, no allowance is made for the effects of military action, including any scorched-earth measures or sabotage that might be undertaken in anticipation of or in conjunction with the withdrawal of Allied forces.

NO CHANGE IN CLASS.

CLASS. CHANGES TO: TE & C

Approved For Release 2005/05/12 : CIA-RDP/29R010124001200010033-0

- 2. The USSR will be engaged in large-scale air and naval war with the US, and there will be no major ground operations.
- 3. The USER will not systematically strip the Western European economy and will attempt to make optimum allocation of scarce fuels, materials, equipment, nanpower and scientific and technical personnel throughout Soviet-controlled areas.

CONCLUSIONS

- 1. Communist acquisition of continental Western Europe, with its industrial equipment substantially intact, would approximately double the over-all economic potential of the Soviet Bloc. It would particularly increase Bloc production capacity in electronics, machine tools, crude steel, primary aluminum, lead, basic chemicals, and electric power.
- 2. This additional economic potential could not in two years be so exploited by the USSR as to double the Bloc's economic output, because of problems of administration, conversion and integration, and because of certain shortages which would exist in Soviet Eurasia, especially of oil, food, copper, tin, and transportation.
- 3. We believe, however, that the additional economic potential of Mestern Durone would contribute substantially to Approved For Release 2005/05/12: CIA-RDP79R01012A001200010033-0

CONFIDENTIAL

Bloc military strength, especially in the field of machine tools and other machinery, optical and precision instruments, military and pharmaceutical chemicals, and electronic equipment.

- 4. Occupation of Western Europe would also provide the USSR with strategic advantages, the principal ones being control of the major land approach to the USSR, greater defense in depth against air attacks directed against the USDR, and greatly increased potential for launching air and naval attacks against Allied shipping, as well as against the UK and the US continent.
- 5. It is unlikely, however, that the USSE by the end of the first two years of compation could fully exploit the potential offensive military advantages of control over Western Europe. The principal limitations would be the need to allocate substantial Western European and Soviet resources to defense and internal security forces and the length of time required for training Western European manpower for effective employment in offensive military operations under Soviet command.
- 6. The principal scientific gains to the USSR from an occupation of Western Europe would be in the services of outstanding captured scientists as well as in the use of

scientific ficilities and installations, notably precision instruments and equipment facilities, high power radio stations for jamming purposes, telecommunications systems, weather stations, and electronic navigational systems.

7. Current research and development projects under way in Western Europe, however, would probably not become a major factor in Soviet technology in the first two years of occupation in view of the time required between completed scientific research and technological application. Soviet exploitation of Western Europe's scientific and technical personnel would require skillful handling and would be complicated by language barriers, resistance to occupying forces, sabotage, etc.

Next 17 Page(s) In Document Exempt